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SUBJECT: OMAN: THE DHOFARI TAKE ON YEMEN AND ECONOMIC DEVELOPMENT

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Muscat; REASON: 1.4(B), (D)

¶1. (SBU) SUMMARY. A week after the Ambassador presented his credentials to the Sultan he visited Oman's second largest city, Salalah, and the near-by Omani air force base, Thumrait. During meetings with various local officials several topics were discussed including Yemen, economic and cultural development, and the future of the Port of Salalah. The visit laid a firm foundation for future regional cooperation and provided insights into Oman's city to the south and provided an opportunity to meet with Americans at an isolated location. END SUMMARY.

¶2. (C) YEMEN: On November 21, the Ambassador met with Minister of State and the Governor of Dhofar, Sheikh Mohammed bin Marhoon Al Ma'mari. Several topics were discussed, most notably Yemen. Al Ma'mari emphasized that Oman stands behind a unified Yemen. Al Ma'mari occasionally serves as an envoy to Yemen, most recently meeting with the Yemeni President in May. He highlighted that the government of Oman continues to provide education, water, housing and health assistance to Yemen (reftel A), even though he claimed that the recent conflict has not had any direct effect on Oman. Al Ma'mari went on to suggest that the U.S. lead a Yemen peace dialogue, wherein the U.S. would offer economic aid to the Houthis and the South. The Governor was confident that such a U.S.-led peace initiative would be supported by Gulf states. He then emphasized that Oman prefers its dialogue with Yemen to remain quiet, but that, for the region's stability, it will always maintain an open line of communication with its southern neighbor.

¶3. (U) DEVELOPMENT: Governor Al Ma'mari also addressed Dhofar's economic development. He noted the positive interaction between the U.S. and the region, specifically noting the Secure Freight Initiative (SFI) project at the Port of Salalah. As for the economic growth of the region, Governor Al Ma'mari believes the expansion of the Port of Salalah and the upgraded airport facilities will serve as an impetus. He also said that the U.S. - Oman Free Trade Agreement is an avenue for increased investment in the region and asked that the Embassy encourage U.S. investors to enter the Dhofari market.

¶4. (U) EDUCATION: The Ambassador met with the Vice Chancellor of Dhofar University and the deans of Dhofar University's four colleges on November 21. Dhofar University is a private institution and the region's only four-year post-secondary school. It offers a range of bachelor degree programs which are taught in English. Prior to that the students complete a one to two year foundation program to develop their English language ability along with skills

in math, science, technology and research. The Vice Chancellor and the four deans were eager to cooperate with the Embassy in cultural and educational exchange programs.

15. (SBU) TRADE: The Ambassador finished the day with a visit to the Port of Salalah where he met with the CEO of the port, Martijn van de Linde. Mr. Van de Linde pointed to several positive growth factors for the port, including: increased limestone mining activity resulting from Omani mining concessions to India, the government of Oman's significant investment in improving the port's infrastructure, and a possible link to the GCC railway (reftel B). Despite the overall positive outlook, the port continues to experience problems. Two significant issues are the empty containers returning from Europe or the U.S., which are stacked into skyscraper-like formations around the port, and the port's proximity to the pirate-ridden Gulf of Aden, which causes some shipping companies to use alternative ports, such as Colombo.

16. (C) THUMRAIT/AMCITS: On November 22, the Ambassador visited the Royal Oman Air Force (RAFO) base at Thumrait. Thumrait is RAFO's base for Oman's F-16s and where a portion of the U.S. War Reserve Materiel (WRM) is located. The U.S. military equipment is managed by the U.S. Air Force and contractor DynCorp. The Ambassador met with Brigadier General Mattar Al Obaidani, who indicated that RAFO looks forward to increasing its fleet of F-16s. He noted that RAFO has exceeded its flying hour program but has less aircraft

availability due to a lag in the delivery of spare parts and that it continues to wait for the Advanced Integrated Defense Electronic Warfare System (AIDEWS) it ordered from ITT. The Ambassador also met with DynCorp personnel, most of whom are U.S. citizens. Despite the remote location, living, working and security arrangements are excellent, and morale amongst the DynCorp employees was high.

17. (C) COMMENT. The Ambassador's November 21 - 22 trip to Salalah provided insights into Oman's perception of the situation in Yemen, economic and educational development in the Dhofar region, the Port of Salalah's activities, and RAFO's F-16 program. Governor Al Ma'mari's suggestions regarding the U.S. approach to Yemen were thoughtful reminders regarding the situation to the south and his vision for the region's development, including a call for increased U.S. investment in the region. Other visits to the University of Dhofar, the Port of Salalah, and the RAFO base at Thumrait were similarly productive in building upon the positive U.S. relationships with each entity and in touching base with AmCits at an isolated location. END COMMENT.
Schmierer